



Council Report
For the Meeting of May 19, 2022

To: Council **Date:** May 10, 2022
From: Susanne Thompson, Deputy City Manager/CFO
Subject: Development Cost Charges Increase

RECOMMENDATION

That Council give Development Cost Charges Bylaw, Amendment Bylaw No. 22-060 first, second and third readings

EXECUTIVE SUMMARY

The *Local Government Act* establishes that development cost charges (DCC's) may be levied, by bylaw, against new developments to proportionally pay for infrastructure required as development occurs. Bylaws establishing development cost charges require the approval of the Inspector of Municipalities and typically involve consultation with the development community prior to seeking that approval. Funds collected as DCC's are held in reserves and used only for the specific projects they were levied for.

In 2017, a new Development Cost Charges Bylaw was adopted, and in 2018 it was amended to reflect newly available engineering and planning information for Parks and Sewer on which to base DCC's for those purposes. Best practice suggests detailed reviews of the technical information establishing DCC's every five years to ensure that projects and associated costs are current. The detailed review occurred in 2017 and again in 2018 with the addition of the Parks and Sewer information noted above. The next planned review will take place in 2023.

The *Development Cost Charge Amendment Bylaw Approval Exemption Regulation* permits an amendment to the rates once every 12 months, for up to 4 years without the Inspector's approval, provided that the rate increase does not exceed the Consumer Price Index (CPI). Inflationary increases were approved in 2020 and 2021. For 2022, Council could consider an increase of 2.5%, which was the annual CPI for Victoria for 2021, to partially offset related infrastructure project cost increases. In the event DCC levies fall behind, the existing tax base would be left to absorb the additional costs.

Respectfully submitted,

Susanne Thompson
Deputy City Manager/Chief Financial Officer

Report accepted and recommended by the City Manager.